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Approved For Release 2002/06/27 : CIA-RDP78-04718A002000310011-5

DD/S 56-3540 Legal

☐ Declassified

Class. Changed to: TS S C 1989

Next Rev

Date:

5 October 1956

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MEMORANDUM FOR: Acting Deputy Director (Support)

SUBJECT : CIA Legislative Proposals - 85th Congress

REFERENCE : Memorandum 20 September 1956 to Comptroller from
DD/S, same subject

This Office is in agreement with the comments and recommendations contained in referenced memorandum dated 20 September 1956. We believe, however, that there are provisions contained in Public Law 885, 84th Congress (providing basic authority for the Department of State) which might also be included in similar fashion in CIA Legislation and which would be of benefit to CIA.

Section 7 of Public Law 885, 84th Congress, provides as follows:

"The exchange allowances or proceeds derived from the exchange or sale of passenger motor vehicles in possession of the Foreign Service abroad, in accordance with section 201 (c) of the Act of June 30, 1949 (40 U.S.C. 481 (c)), shall be available without fiscal year limitation for replacement of an equal number of such vehicles." We believe similar language should be adopted in CIA Legislation. At the present time, current regulations provide that the proceeds of sales of personal property will be available during the fiscal year in which the sale is made and for one fiscal year thereafter for obligation for the purchase of similar replacement items of personal property. This limitation was established by the Comptroller General rather than by law. We believe that we could benefit from the above proposed provision in that at the time a station is closed, motor vehicles could be sold, the proceeds retained with the Agency without limitation, and then used for the purchase of vehicles at a later date as the need arises. In many instances, transportation costs would be eliminated in shipping a vehicle from the station being closed.

Section 9, Public Law 885, 84th Congress, provides as follows:

"The Secretary of State is authorized to enter into contracts in foreign countries involving expenditures from funds appropriated or otherwise made available to the Department of State, without regard to the provisions of section 3741 of the Revised Statutes (41 U.S.C. 22): Provided, That nothing in this section shall be construed to waive the provisions of section 431 of title 18 of the United States Code." We believe that substantially the same language should be included in CIA Legislation for the same reason that we understand the State Department obtained such legislation and thereby obtain exemption from provisions of section 3741 of the Revised Statutes (41 U.S.C. 22) which states in part:

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"In every contract or agreement to be made or entered into or accepted by or on behalf of the United States, there shall be inserted an express condition that no member of or delegate to Congress shall be admitted to any share or part of such contract or agreement or to any benefit to arise there upon" It is our understanding that the State Department felt that the inclusion of such contract negotiations in foreign countries involved a reflection on the Government of the United States and they, therefore, proposed and obtained the exemption contained in section 9, Public Law 885.

Section 11, Public Law 885, 84th Congress, provides as follows: "Notwithstanding the provisions of section 16 (a) of the Act of August 2, 1956 (5 U.S.C. 78 (c)), the Secretary of State may authorize any chief of diplomatic mission to approve the use of Government-owned vehicles in any foreign country for transportation of United States Government employees from their residence to the office and return when public transportation facilities are unsafe or are not available." It is believed that the portion of section 10aI, Public Law 110, pertaining to transportation of children of Agency personnel to and from school could be improved by adopting similar wording to that included in section 11, Public Law 885. It is therefore recommended that the wording be changed as follows: "and transportation in such equipment, to and from school, of children of Agency personnel who have quarters for themselves and their families at ~~isolated~~ stations outside the continental United States where adequate public or private transportation is not available or is unsafe."

In addition, it is our recommendation that at the 10 October DD/S Staff Meeting there be included in discussions the advisability of attempting to revise CIA Legislation to provide that all CIA appropriations regardless of from what source received will be classed as "no year funds." We should also at the 10 October meeting like to further discuss "commuted per diem" and whether we should reconsider inclusion of legislation with respect thereto.

[Redacted Signature]

Acting Comptroller

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